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C O N F I D E N T I A L THE HAGUE 002244

SIPDIS

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TREASURY FOR ZARATE (TREASURY), WOLFE (GENERAL COUNSEL),
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E.O. 12958: DECL: 09/08/2008

TAGS: [PTER](#) [ETTC](#) [NL](#)

SUBJECT: TERRORIST FINANCE: USING CALL CENTERS FOR ILLEGAL
FUNDS TRANSFERS

REF: FBIS EUP20030826000011 OF 8/25/03

Classified By: Economic Counselor Richard Huff Reason 1.5(b) and (d)

[1](#)1. (C) Summary: Dutch officials expect to take action against several Amsterdam call centers for illegal money exchange activities. Their investigation has developed independently from an Amsterdam city council report on possible hawala banking activities by these call centers. End Summary.

[1](#)2. (U) The Dutch press (reftel) reported August 25 on an Amsterdam city council report highlighting the possibility of "call centers" being used as hawala banks. These centers-- often little more than an office with two or three phone lines -- draw upon immigrant populations for their clientele and claim their ability to secure telephone lines wholesale from KPN (the dominant player in the Dutch telecom market) makes their business model (charging immigrant workers to call their country of origin) viable. The explosive growth in the number of these centers over the past year -- the team preparing the above referenced report surveyed 117 call centers in Amsterdam alone -- led many to wonder whether international calls alone could sustain so many centers. According to the press, the Amsterdam city council decided to look at call centers after investigation into approximately 100 million dollars in illegal money transfers by group of ethnic Pakistanis suggested that call centers may have facilitated the transfers.

[1](#)2. (C) Dutch authorities have long been aware of the possibility of call centers being used for hawala banking. The Dutch press reported in late 2001, for example, of several call centers in Rotterdam possibly being linked to the Barakat network. Our contacts have told us that the Amsterdam city council report is incomplete and inconclusive -- the authors purposely did not coordinate or exchange information with police authorities and the Central Bank (charged with registering and supervising informal money transfer systems) who are conducting a similar investigation. Our contacts indicate that Dutch authorities are investigating calls made through several of the calling centers and expect be able to take legal action against several of the call centers for conducting illegal money exchange activities.
SOBEL